



**MCI Telecommunications  
Corporation**

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Donald J. Elardo  
Director  
Regulatory Affairs

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EX PARTE

July 25, 1996

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, NW  
Washington, D.C. 20554

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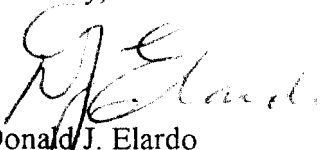
RE: CC Docket No. 96-98; Implementation of the Local Competition Provisions of the  
Telecommunications Act of 1996

Dear Mr. Caton:

At the request of staff of the Enforcement Division of the Commission's Common Carrier Bureau, MCI Telecommunications Corporation is filing a copy of its recently filed informal complaint against the Southern New England Telephone Company.

Please include the original and a copy of this letter on the record of the above-captioned proceeding.

Sincerely,

  
Donald J. Elardo

Attachment

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**MCI Telecommunications  
Corporation**

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202 887 2006  
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Donald J. Elardo  
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July 23, 1996

JUL 25 1996

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

John Muleta, Esq.  
Chief, Enforcement Branch  
Common Carrier Bureau  
Federal Communications Commission  
Washington, DC 20554

Re: SNET Communications Act Violations

Dear Mr. Muleta:

Informal complaint is hereby made by MCI Telecommunications Corporation (MCI) against Southern New England Telephone Company (SNET) in connection with the latter's recent marketing solicitations, which violate Section 201(b) of the Communications Act of 1934 (the Act) in several material respects. In addition, these solicitations also violate new Section 251 of the Act, which was enacted in order to bring about competition in local monopoly markets. A copy of the offensive solicitations is appended to this complaint.

MCI is a common carrier engaged, among other things, in the provision of interstate and intrastate long distance telecommunications services. SNET is a monopoly telecommunications service provider offering, among other things, local exchange telephone service within the State of Connecticut and, as well, interstate and intrastate long distance services. MCI and SNET thus are competitors in connection with their furnishing of interstate and intrastate long distance services, and they are potential competitors in connection with the furnishing of local exchange service in Connecticut.

As the attachment demonstrates, SNET actively is engaged in soliciting consumers within Connecticut, where it is the near-exclusive provider of local exchange service, to sign up, first, for SNET "local and long distance service within and beyond Connecticut" -- so-called "SNET All Distance" -- and, then, to commit to a new SNET offering called "Carrier Choice Protection." The latter program, which is characterized as "free," purportedly allows SNET to deny other carriers their right to switch consumers away from SNET in the ordinary course of conducting their businesses. Thus, the latter solicitation, when signed by a consumer, "authorize[s] SNET to protect . . . phone line(s) that use SNET long distance service from being switched without [his/her] express written or verbal consent." Although the formalities appear to limit this restriction to "long distance service," the language in the solicitation itself is broader in reach and



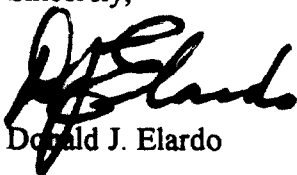
speaks to the changing of "local and long distance carriers." Clearly, it is SNET's goal not to allow any switch of Connecticut consumers from their SNET long distance service and, as well, from their SNET local exchange service when local service competition finally emerges in Connecticut.

Section 201(b) of the Act requires all carrier undertakings to be "just and reasonable." SNET's approach here, designed to capture long distance service in combination with the local exchange service that it monopolizes and then insulate itself from long distance competition, as well as potential local exchange service competition, is patently anti-competitive in intent and effect. The approach thus is unlawful because it violates the Congress' and the Commission's pro-competitive policies and goals in all telecommunications markets. Furthermore, the solicitation involving the "Carrier Choice Protection" program violates Section 201(b) because it is fundamentally deceptive. This is because, although consumers are told that the "freeze" occurs only in connection with long distance service, it is apparent that SNET intends also to freeze any change of local exchange service when competitive alternatives become available to Connecticut consumers. (By freezing "phone lines" as distinct from "long distance service," local service is covered because the same "lines" are used to provide both long distance and local service.) Consumers thus are being materially misled and will be unreasonably deprived of competitive alternatives for local services in the future under this SNET approach. SNET's objective of retaining its monopoly hold over local exchange service in the face of emerging competition, and the means it is taking to achieve that goal, is transparent under the circumstances and simply cannot be tolerated.

Finally, SNET's solicitations, as shown, introduce substantial confusion into the marketplace at a time when significant and complex telecommunications changes are occurring and will continue to occur. With this the case, the public interest requires that all steps be taken by the Commission to eliminate consumer confusion whenever it arises as a result of carrier undertakings designed to fuel such confusion

In view of the foregoing, the Commission respectfully is requested to find and conclude that these SNET solicitations are unlawful, in plain violation of Sections 201(b) and 251 of the Act, because they are flatly at odds with the proper functioning of competitive markets. Accordingly, the Commission respectfully is requested to direct that SNET immediately cease from engaging in the practices complained of herein

Sincerely,



Donald J. Elardo

Attachment

# Authorization To Change/Confirm My Local/Long Distance Carriers

I want SNET All Distance<sup>SM</sup> for my local and long distance service within and beyond Connecticut.\*

(please type or print as it appears on your phone bill)

Name \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_ State CT ZIP \_\_\_\_\_

Telephone (required) (\_\_\_\_) \_\_\_\_\_

Additional telephone lines for this service:

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

Signature\* (required) \_\_\_\_\_

Date (required) \_\_\_\_\_

\*With this signature, I authorize the following, as applicable:

- a change in my local carrier from my current carrier to Southern New England Telephone;
- a change in my in-state long distance carrier from my current carrier to Southern New England Telephone;
- a change in my out-of-state long distance carrier from my current carrier to SNET America, Inc.;
- the unblocking of my Carrier Choice Protection to make these switches possible;
- Southern New England Telephone to effect these changes on my behalf;
- Southern New England Telephone and SNET America, Inc. to be the sole providers for my long distance service within and beyond Connecticut (as indicated) for the phone numbers listed.

I understand that I may select per telephone number only one local carrier, only one in-state long distance carrier and only one out-of-state long distance carrier. I also understand that SNET will waive any fee for this change and that a fee may apply for any later change I request.



SC-10A

# Get Free Carrier Choice Protection from SNET

And make sure your phone lines can't be switched without your say so!

Did you know that your local and long distance carriers can be changed without your direct request? To protect the SNET long distance service you have, just complete and return this form.

Life holds enough surprises without getting phone bills from companies you've never asked to do business with! With this free service, SNET makes sure you can't be switched unless you know about it and have given your permission first. It's your choice, and you don't want someone else making it for you.

☒ **YES, I Want SNET  
Carrier Choice Protection.**

Signature\* (required) \_\_\_\_\_

Name (please print) \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_ State CT ZIP \_\_\_\_\_

Date (required) \_\_\_\_\_

Telephone (required) (\_\_\_\_) \_\_\_\_\_

Additional telephone lines for this service:

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

\*With this signature, I authorize SNET to protect my phone line(s) that use SNET long distance service from being switched without my express written or verbal consent. I understand that this protection is free from SNET.



SC-10C